

## Message Text

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64

ACTION ARA-10

INFO OCT-01 IO-13 ISO-00 SP-02 USIA-15 AID-05 EB-07 NSC-05

CIEP-02 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00

FRB-01 INR-07 NSAE-00 XMB-04 OPIC-06 LAB-04 SIL-01

PA-02 PRS-01 /107 W

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R 222044Z NOV 76

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC 7988

USDOC

INFO USMISSION GENEVA

UNCLAS BUENOS AIRES 7653

E.O. 11652: N/A

TAGS: EFIN, ETRD, AR

SUBJECT: GOA ESTABLISHES UNIFIED FOREIGN EXCHANGE RATE

PASS TREASURY AND EXIMBANK

REF: BUENOS AIRES 7301

1. ON NOVEMBER 19, THE CENTRAL BANK ANNOUNCED THE UNIFICATION OF ARGENTINA'S FOREIGN EXCHANGE RATE -- A MAJOR GOA GOAL WHICH WAS TO BE IMPLEMENTED BY YEAR END. WITH THE EXCEPTION OF SWAP TRANSACTIONS, WHICH WILL CONTINUE TO USE THE OFFICIAL RATE OF 140 PESOS/DOLLAR, ALL FOREIGN EXCHANGE TRANSACTIONS WILL BE CONDUCTED AT THE FREE MARKET RATE, CURRENTLY PEGGED AT 247 BUY 252 SELL PESOS/DOLLAR. AT THE SAME TIME, MEASURES WERE ALSO IMPLEMENTED COUNTERACTING OR NULLIFYING THE DEVALUATION IMPACT OF THE EXCHANGE RATE UNIFICATION. FOR EXAMPLE THE REQUIRED 40 PERCENT DEPOSIT FOR IMPORTS HAS BEEN ELIMINATED (WITH THE LOCAL COST OF BORROWING ROUGHLY 100 PERCENT ANNUALLY, REDUCTION IN IMPORT COSTS WOULD BE ABOUT 20 PERCENT) AND EXPORT TAXES AND SUBSIDIES HAVE BEEN ADJUSTED. DETAILS OF THESE CHANGES WILL BE REPORTED

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AS SOON AS THEY ARE AVAILABLE.

2. COMMENT: WHILE THE EXCHANGE RATE HAS BEEN UNIFIED IN A FINANCIAL SENSE (SWAPS EXCLUDED), IT IS CLEAR THAT THE GOA WILL CONTINUE TO MAINTAIN A MULTIPLE EFFECTIVE EXCHANGE RATE THROUGH ITS COMPLEX SYSTEM OF SUBSIDIES, TAXES, AND TRADE REGULATIONS.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FOREIGN EXCHANGE RATES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 22 NOV 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976BUENOS07653  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760435-0181  
**From:** BUENOS AIRES  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Line Count:** 68  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION ARA  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Previous Handling Restrictions:** n/a  
**Reference:** 76 BUENOS AIRES 7301  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** powellba  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 03 AUG 2004  
**Review Event:**  
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**Review Referrals:** n/a  
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**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** GOA ESTABLISHES UNIFIED FOREIGN EXCHANGE RATE PASS TREASURY AND EXIMBANK  
**TAGS:** EFIN, ETRD, AR  
**To:** STATE  
COM  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006